these accumulations. While finalising a mechanism for investment of funds of subscribers, steps would also be taken to ensure that the funds are invested to benefit subscribers.

Holding of dud shares of LIC

1557. SHRI RAJNATH SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether LIC is holding a large number of dud shares of companies which have been suspended by stock exchanges for trading;

(b) whether large sums of public money has been blocked by such holding;

(c) if so, the details of such companies along with the respective holdings;

(d) whether LIC proposes to offload such holding to RBI approved NBFCs who have shown interest in purchase of such shares;

(e) if so, by when; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Life Insurance Corporation of India (LIC) has informed that it has been investing in equity shares of the companies over the years. It also has inherited equity holdings from the erstwhile private insurers at the time of nationalization. Of these holdings, some shares are not being traded due to following reasons: (i) shares are not listed on the exchanges, (ii) shares though listed are not being traded, and (iii) trading is suspended by exchanges.

(b) As per the information provided by LIC, the cost of holding in such companies as at March, 2006 was about Rs. 342 crore, which amounted to 77% of the total equity investments on book value basis and about 0.07% of the total investments of LIC.

(c) There are about 458 companies with total acquisition cost of Rs. 342 crore.

(d) to (f) LIC has reported that as and when it receives offers to buy its holding, either in part or whole, in such companies, the proposals are

processed based on the acquisition cost, net asset value of the share and the future prospects of the company. Appropriate decision in this regard is taken by LIC on the advice of its Investment Committee.

Off loading of shareholding by UTI

1558. SHRI RAJNATH SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Unit Trust of India has offloaded its shareholding in large number of closed companies which have been suspended by stock exchange for trading;

(b) whether UTI has sold a large number of shares of closed and sick companies like Oswal Agro Mills Ltd. to RBI approved NBFCs thus unlocking public funds and investor value;

(c) if so, the details thereof along with the investor value unlocked;

(d) whether Government propose to issue similar instructions to LIC to also liquidate its holding in such companies so that public funds are properly utilized;

(e) if so, by when; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Specified Undertaking of Unit Trust of India (SUUTI) has sold shares of several closed and sick companies including unlisted companies to various buyers after advertising and receiving competitive bids thereunder and an amount of Rs. 139.43 crore was realized.

(b) and (d) No, Sir.

(c) and (e) Do not arise.

(f) LIC investments are governed by section 27 A of the Insurance Act, 1938 as made applicable to LIC and Insurance Regulatory and Development Authority (Investment) Regulations, 2000 amended from time to time.

All decisions relating to investments/disinvestments are taken in accordance with the unanimous advice of the Investment Committee